"Financial Analysis of Small Scale Fried Gram Industries in Nanded District"

Synopsis submitted to:

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Introduction:

In most of the developing countries like India, Small Scale Industries(SSI) constitute an important and crucial segment of the industrial sector. They play an important role in employment generation, resource utilization and income generation and helping to promote changes in a gradual and phased manner.

Small scale enterprises are generally more labour intensive than larger organizations. As a matter of fact, small scale sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has been attracted so much attention not only from industrial planners and economists but also from sociologists, administrators and politicians.

Definitions of Small Scale Industry:

Every country has set its own parameters in defining small-scale sector. Generally, small scale sector is defined in terms of investment ceilings on the original value of the installed plant and machinery. But in the earlier times, the definition was based on employment. In the Indian context, the parameter is as follows:

The Fiscal Commission, Government of India, New Delhi,1950,for the first time defined a small-scale industry as, one which is operated mainly with hired labour usually 10 to 50 hands.

Fixed capital investment in a unit has also been adopted as the other criteria to make a distinction between small-scale and large-scale industries. This limit is being continuously raised upwards by Government.

The new Industrial Policy in 1991,it again raised the investment ceilings in plant and machinery to Rs.60 lakhs for small-scale units and Rs.75 lakhs for ancillary units.

As per the Abid Hussain Committee's recommendations on small scale industry, the Government of India has, in March 1997 further raised investment ceilings to Rs.3 crores for small-scale and ancillary industries and to Rs.25 lakhs for tiny industry.

The investment limit for a small scale industrial undertaking from 1999 to 2006-2007 was Rs.1 crore. The Finance Minister raised this limit to Rs.1.5 crore in the union budget,2007-2008,presented to parliament on February 28,2007.To facilitate technology up-gradation and enhance competitiveness, the investment limit (in plant & machinery) was raised to Rs.5 crore in respect of 69 items reserved for manufacture, in the small scale sector and for all items in the drugs and pharmaceuticals sector. For Tiny enterprises, the invest ceiling is Rs.25 lakh while for a small scale service business enterprises, the investment ceiling is Rs.10 lakh.

SSI in Nanded District:-

In Nanded district, the small scale Entrepreneurs are engaged in agro based industries, food based industries, mineral industries, forest based industries, chemical based industries, Metal and Engineering based industries, etc.

Moving towards Small Scale Fried Gram Industry in Nanded District, I personally visit one fried gram industry in M.I.D.C., Nanded area.

Fried Gram named as follows in different region. They are Roasted Gram, Chana, Kala Chana, Chickpea, Dalwa and others.

Chickpeas(Fried Grams) are healthy as they contain many nutritional elements that are deemed necessary for the proper growth of our body.It contains many vital vitamins like Vitamin A,Vitamin B_1,B_2&B_3,Vitamin C,Vitamin D,Vitamin E,Vitamin K,Foliate and Pantothenic acid. Other nutrients that are found in fried grams are dietary fibers, carbo-hydrates, proteins, moisture, etc.

Significance of Small Scale Industries:

Small –Scale industries have been playing a momentous role in overall economic development of a country like where millions of people are unemployed or underemployed. Poverty and unemployment are two of the burning problems of the country today. This sector solves these two problems through providing immediate large scale employment, with lower investments. The economic development of any country primarily depends upon the establishment of industries, which require sufficient amount of capital. In a country like India where capital is

scarce and unemployment is wide spread, growth of small scale industries is vital in order to achieve balanced economic growth.

Having recognized the significance of SSI sector, the Govt. of India has set up various agencies and institutions at different levels-central, state and local, have been pursuing the policy of protection and promotion of this sector since independence.

Objectives of the study:

1. To study the growth of small scale fried gram industries.
2. To identify the factors and suggesting policy measures for boasting the SSI sector.
3. To understand various government schemes provided to the small scale fried gram industries.
4. To Analyses the financial position of small scale fried gram industries.

Hypotheses of the study:

1. Small Scale Fried Gram Industries has been faced various financial problems.
2. The Central and State government schemes are availed by Small Scale Fried Gram Industries.

Research Methodology:

This study is a descriptive in nature. It has adopted concrete research methodology, which covers primary and secondary data to analyses the financial position of stated industries. It has also tested the above hypotheses with the help of different statistical tools such as percentage, averages, ratios, tables, charts, graphs, T test, Z test and chie-square test where ever necessary.

i. Primary Data:

Primary data are collected from grass root level respondents like entrepreneurs, industrialists, supervisors, etc. This type of data will be collected through personal mock interviews, schedules and questionnaires, observations, etc. In Nanded District near about 15 Fried Gram Industries. I shall take universe respondents for the study.

ii. Secondary Data:

The secondary data will be collected from various sources i.e. print media such as books, journals, magazines, news papers, government reports, websites, etc. In this study, the researcher is used financial books of accounts and its financial statement such as profit and loss account, balance sheet and other statements.

Scope and Limitations of the study:

1. This study is limited to Nanded District only.
2. This study helps to understand & consider various financial problems faced by Small-Scale Fried Gram Industry.
3. This study confined with the period of financial year 2010-11 to 2014-15.

CHAPTER PLAN:

1) Introduction
2) Review of Literature
3) Profile of Nanded District
4) Financial Analysis of Profit & Loss A/c of Small-Scale Fried Gram Industry
5) Financial Analysis of Balance Sheet of Small-Scale Fried Gram Industry
6) Financial Analysis of Other Statements of Small-Scale Fried Gram Industry
7) Conclusions & Findings
8) Suggestions & Recommendations

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